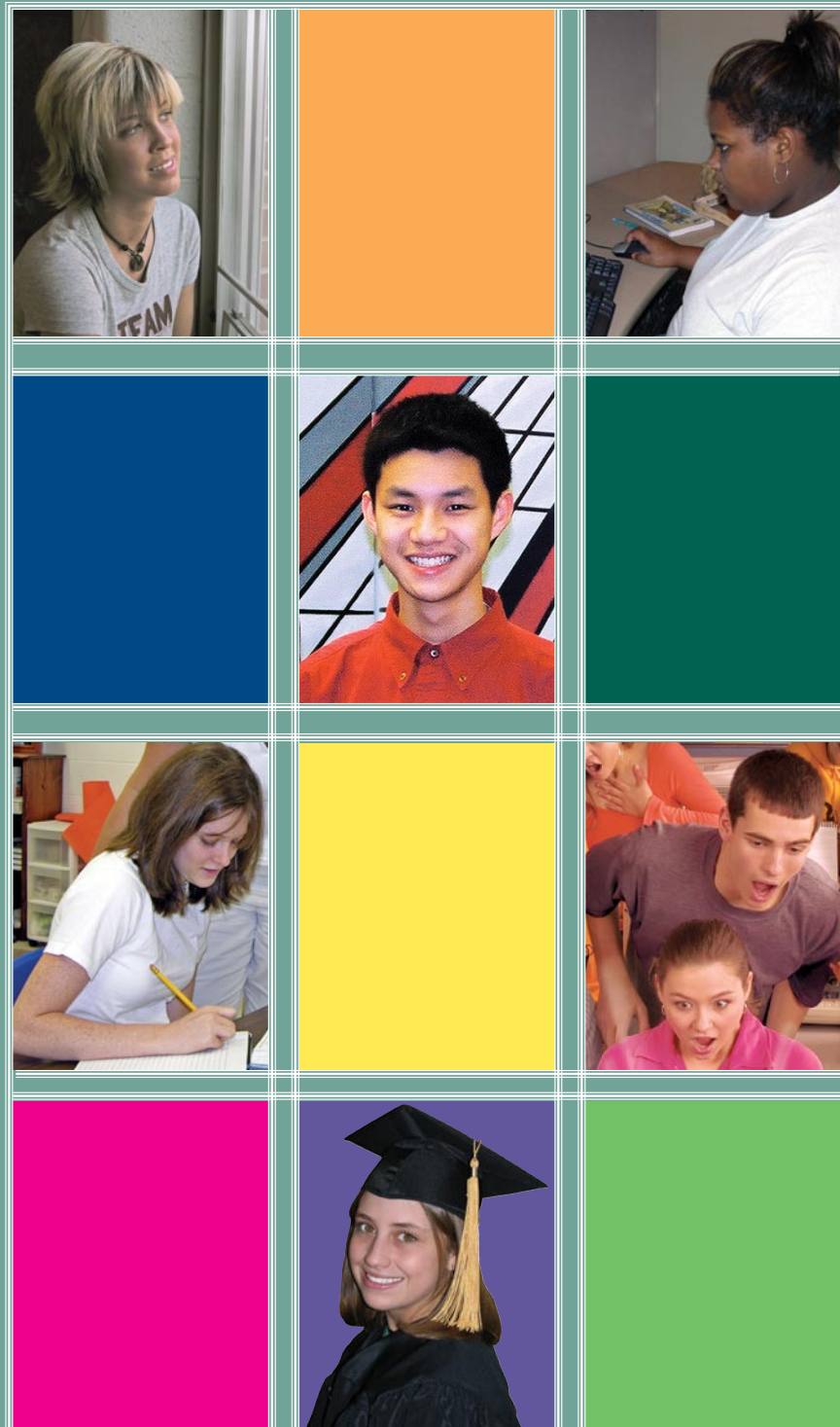


2005 Annual Report

Kentucky Higher Education Assistance Authority

The Student Loan People



About KHEAA and The Student Loan People

The 1966 Kentucky General Assembly created the Kentucky Higher Education Assistance Authority (KHEAA) as a public corporation and governmental agency and instrumentality of the Commonwealth to improve access to college and technical training. KHEAA administers federal student loan programs, provides state student financial aid and distributes information about college opportunities. In 1978, the state legislature created the Kentucky Higher Education Student Loan Corporation (KHESLC), a *de jure* municipal corporation, to ensure funding would be available to Kentuckians by making, purchasing and financing student loans. KHESLC assumed the name of The Student Loan Peoplesm in 1999. The Student Loan People and KHEAA are governed by a board of directors with identical membership, and the executive director of KHEAA also serves as executive director of The Student Loan People. For more information, visit www.kheaa.com or www.studentloanpeople.com.

Giving back to Kentucky

Our success has translated into millions of dollars for public service benefits

Postsecondary education is highly important to individual Kentuckians and a prosperous Commonwealth. Kentucky is fortunate to have a number of student financial aid programs administered by the Kentucky Higher Education Assistance Authority (KHEAA) and The Student Loan People to help pay for college and technical training. These public entities are self-supporting, and revenue generated from their participation in the Federal Family Education Loan Program (FFELP) pays the administrative costs of the state's student aid programs, allowing all General Funds to go directly to students in the form of awards.

KHEAA and The Student Loan People also provide an array of information services—GoHigherKY.org and other websites, publications, regional outreach counselors and a mobile resource center that travels the state.

However, their contributions to the Commonwealth don't stop there. They add millions of dollars annually to supplement funding of student financial aid programs and provide millions more in borrower benefits. In FY 2005, The Student Loan People transferred \$7.8 million of its net revenue and will transfer \$59 million in 2006 to help support the State General Fund.

KHEAA and The Student Loan People's success has translated into millions of dollars for public service benefits for all of the Commonwealth as well as enabled thousands of Kentuckians to obtain a college education, improve their career opportunities and spur on the state's economy. Please take a few minutes to find out more about these two unique organizations and their many accomplishments throughout the past year.



Sara Puckett, who submitted the winning essay in the 2004 "Promote Your School Scholarship" contest, said having George Rogers Clark High School students appear in KHEAA/Student Loan People publications has raised the excitement level about going to college. "It caught people's attention when they saw our school," Puckett said. "Now, they're taking time to truly think about going to college." Puckett, now a senior at George Rogers Clark, is planning to attend a Kentucky college after high school graduation.



Giving our best to Kentucky students

Commonwealth benefits from success of FY 2005

The FY 2005 annual report for KHEAA and The Student Loan People demonstrates, in so many ways, how prudent management of resources combined with visionary leadership and a zeal for excellence can produce unprecedented opportunities to give more to those we serve. As public, nonprofit entities, KHEAA and The Student Loan People are wholly dedicated to improving Kentuckians' access to higher education. Over and above millions of dollars from the General Fund for student aid awards, they returned \$37.9 million in extra benefits to students from earnings. This report reveals how these benefits were distributed, alongside record amounts of student financial aid, expansion of outreach services and rapidly accelerating growth in student borrowing.

KHEAA disbursed \$164.5 million directly to students from state student aid programs, including \$75.4 million in need-based grants and \$81.3 million in merit-based Kentucky Educational Excellence Scholarships (KEES). During the first year of the Mary Jo Young Scholarship funded by KHEAA, \$183,000 was disbursed to disadvantaged high school students to pay the costs of dual credit and AP courses and exams. In addition to providing student aid, KHEAA guaranteed \$451 million in FFELP loans for Kentucky students.

To fill the gap between student financial aid and the increasing cost of higher education, The Student Loan People provided BestStart loans, with zero origination fees and interest rate reductions for timely and automatic payments, and saved borrowers \$10.3 million. To encourage teachers and nurses to remain in Kentucky after graduation, the Best in Class and Best in Care programs provided interest and loan forgiveness totaling \$12.7 million. Zero insurance fees from KHEAA saved borrowers another \$7.7 million. In FY 2005, staff worked diligently with the few remaining schools that did not participate in our loan programs and encouraged them to offer our benefits to their student borrowers.



John G. Prather, Jr.
2004-2005 Board Chair



Besides providing financial assistance and loan benefits, KHEAA and The Student Loan People paid \$4.6 million for administration of Kentucky's student aid programs from agency-generated revenue, allowing all General Fund appropriations to go directly to students in the form of awards. They have developed one of the best outreach programs in the nation, including the following information and services for families across the Commonwealth:

- ✓ GoHigherKY.org, Kentucky's website for college planning.
- ✓ Funding for Kentucky's GEAR UP program to prepare low-income middle and senior high students for college.
- ✓ Award-winning, grade-specific publications for middle and high school students and adults.
- ✓ Nine regional outreach counselors addressing groups and helping individuals statewide.
- ✓ A mobile resource center with access to GoHigherKY.org traveling across the Commonwealth.
- ✓ Sponsor of College Goal Sunday workshops to help families complete the Free Application for Federal Student Aid (FAFSA).
- ✓ Newsletters for parents and counselors, providing updates and advice.

At the same time, The Student Loan People serviced a portfolio of \$7.1 billion in student loans, making borrowers aware of repayment options and alerting them to opportunities and potential problems. To ensure funds were available for future student borrowing, the state legislature raised the debt limit over \$3 billion, and approximately \$350 million in bonds was issued during the year.

As Chairman of the KHEAA/Student Loan People Board for FY 2005, I was honored and privileged to have the opportunity to work with a board of directors who kept its focus on what is best for students and with a great staff who time and again demonstrated their dedication and commitment to making higher education more affordable and increasing Kentucky's college-going rate.

John G. Prather, Jr.
FY 2005 Board Chair

As public, nonprofit entities, KHEAA and The Student Loan People are wholly dedicated to improving Kentuckians' access to higher education.



Looking forward

In FY 2006, we're looking for ways to build on our services for students

KHEAA and The Student Loan People are committed to building on the successes of 2005, focusing on how we can best serve the citizens of the Commonwealth and move Kentucky forward. Some of the more important issues facing us in FY 2006 are students' academic preparedness for higher education and tomorrow's workforce, college affordability and student aid funding. FY 2006 is the first time nearly 100% of Kentucky Lottery proceeds will be used for need-based grants (55%) and merit-based KEES (45%). Students, however, are increasingly relying on student loans and credit card debt to manage the cost of higher education. Important questions to be considered are whether the lottery alone can adequately fund both need-based grants and merit-based KEES programs and whether student aid awards should be tied to the cost of education.

Increases in tuition and other costs of attendance have steadily and dramatically eroded the relative value of need-based grants and merit-based KEES over time. Compounding the situation, the maximum award for the Federal Pell Grant (the major federal need-based grant program) leveled off in 2002 and lags far behind its original value when adjusted for inflation. Reauthorization of the Higher Education Act is anticipated this year; however, any increase in the Pell Grant is likely to be modest at best. Other reauthorization issues expected to receive attention include borrower interest rates, loan fees, refinance opportunities and annual and aggregate loan limits.

KHEAA and The Student Loan People are on the forefront of initiatives to address the growing demand for student loans and reduce the cost of borrowing for Kentuckians. Building upon the success of the borrower benefit programs, Best in Class interest and loan forgiveness is being expanded in 2006 to include minority and foreign language teachers; and a new program, Best in Law, has been created for public service attorneys. To



Dr. Jim A. Jackson, Jr.
2005-2006 Board Chair



ensure continued funding for origination, purchase and consolidation of student loans during FY 2006, The Student Loan People will issue \$400 million in bonds, \$100 million of which will be tax-exempt.

To help students, families and counselors in planning for and pursuing higher education, KHEAA and The Student Loan People will enhance GoHigherKY.org, Kentucky's one-stop higher education website, to make it more interactive and increase its functionality. Through KHEAA's partnership with the Council on Postsecondary Education (CPE), GEAR UP Kentucky will be expanded to further efforts designed to encourage low-income middle and high school students to develop the skills needed for a postsecondary education. Research shows a large portion of today's high school graduates are not prepared academically to pursue higher education or a good job. To help strengthen students' academic preparedness and chances for success, KHEAA will actively support efforts by the Kentucky Board of Education to institute a more rigorous high school curriculum.

In another joint effort, CPE and KHEAA utilized nationally-known education research firm JBL, Associates, Inc., Washington, D.C., to perform an in-depth analysis of the affordability of undergraduate postsecondary education in Kentucky. KHEAA and The Student Loan People will study the results to assist in evaluating the most effective allocation of limited funds and identifying needed changes in programs and services.

As we face the challenges of 2006, one thing is certain—KHEAA and The Student Loan People are committed to giving back, making higher education more affordable, and moving Kentucky forward.

KHEAA and The Student Loan People are on the forefront of initiatives to address the growing demand for student loans and reduce the cost of borrowing for Kentuckians.

Dr. Jim A. Jackson
FY 2006 Board Chair



As a Harrodsburg High School junior, Alex Renfrow took advantage of the Mary Jo Young Scholarship to take an online Advanced Placement (AP) biology course through the Kentucky Virtual High School website. The scholarship, launched in FY 2005, paid for the course, materials and test. Renfrow, 17, said the experience showed her what it was like to be on her own—much like college. “I had to pace myself. You were on your own teaching yourself the material.” Renfrow said the independent study course taught her better study skills and, more importantly, how to study for college. As a senior, she is taking five AP courses as well as cheerleading, playing tennis and serving as vice president of her class. She plans to study fashion design after graduation.

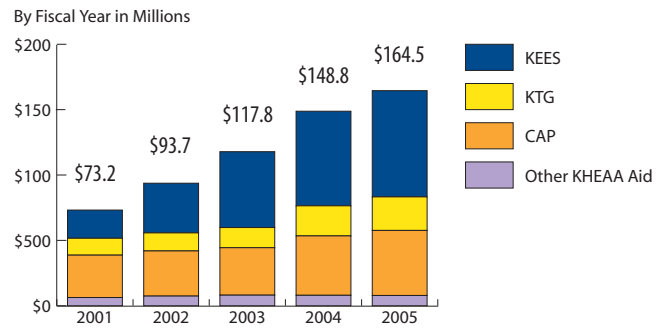
FY 2005 highlights—KHEAA

Kentucky's state student aid administrator and student loan guaranty agency

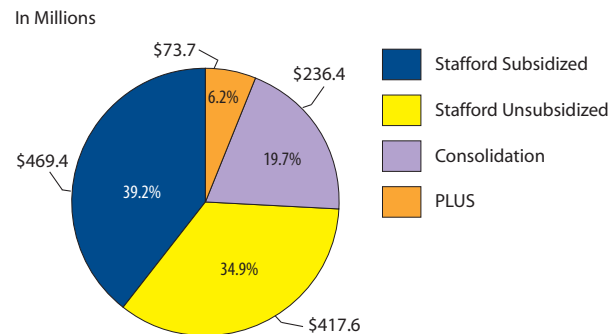
- ✓ Disbursed \$164.5 million in state aid (an 11% increase over FY 2004) and guaranteed \$1.2 billion in FFELP loans (a 26% increase over FY 2004).
- ✓ Increased new loan guarantee volume 24% over last year to \$835 million, including:
 - ✓ \$451 million for Kentucky.
 - ✓ \$353 million for Alabama.*
 - ✓ \$31 million for other states throughout the nation.
- ✓ Reached \$3.3 billion in guarantees outstanding and \$3.7 billion in original principal outstanding.
- ✓ Reduced interest rates from 12% to 6% for five conversion scholarship/loan programs for students.
- ✓ Assumed KEES regulatory authority from the Council on Postsecondary Education pursuant to 2005 legislation.
- ✓ Assumed governance of Kentucky's Affordable Prepaid Tuition (KAPT) July 1, 2005, pursuant to 2005 legislation.
- ✓ Implemented the Mary Jo Young Scholarship to pay for dual credit and AP courses and exams for disadvantaged high school students.
- ✓ Collected \$41.3 million in defaulted student loans.
- ✓ Assumed the role of state administrator of the Robert C. Byrd Honors Scholarship for outstanding high school seniors or GED recipients.

*The U.S. Department of Education authorized KHEAA as the designated guarantor of FFELP in Alabama in 1996.

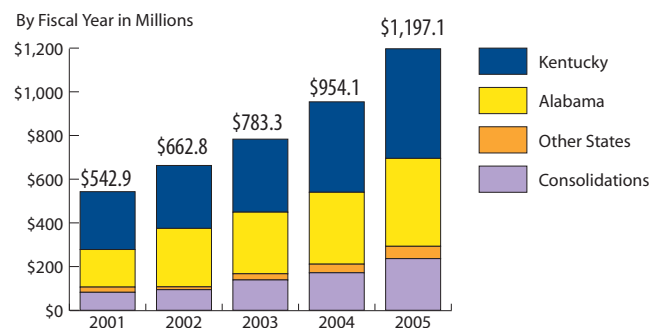
Student aid disbursements



Loan guarantee volume by type (gross)



Loan guarantees (gross)



Guaranteed by KHEAA

Federal Family Education Loan Program Guarantees**		
	Loans	Amount
Subsidized Stafford For undergraduate, graduate and professional students based on financial need.	132,090	\$469,436,600
Unsubsidized Stafford For undergraduate, graduate and professional students without regard to financial need.	99,630	417,616,700
PLUS For parents who borrow on behalf of the student.	9,480	73,652,400
Consolidation For borrowers in repayment.	15,840	236,370,000
Total	257,040	\$1,197,075,700

** Represents original amount guaranteed.



Grayson County High School teacher Alisa Parrish “doesn’t know what she’d do without” her Best in Class loan benefit. A former accountant drawn to teaching, Parrish earned a second degree in education at Murray State University in 2002 and made the financial transition from private business to teaching because of Best in Class. “Before, I was making a lot more money. Best in Class meant I was able to take the reduction in pay to teach. It’s a great program that helps draw people from other careers into teaching and eliminate some of the financial burden. And not having my student loans over my head makes it less of a strain. It’s such a benefit—it really works!” she said. Here, she helps senior Katherine Webb with an assignment.

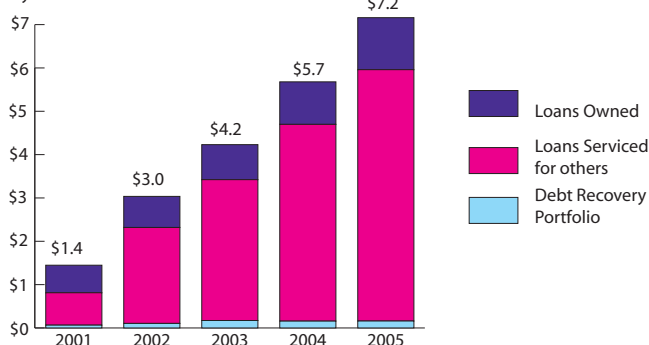
FY 2005 highlights—Student Loan People

Kentucky's only nonprofit FFELP student loan lender

- ✓ Supplemented awards from the state's student aid programs with \$7.2 million, including:
 - ✓ \$3,170,300 for College Access Program (CAP) Grants.
 - ✓ \$580,800 for Kentucky Tuition Grants (KTG).
 - ✓ \$900,000 for KHEAA Work-Study.
 - ✓ \$2,520,000 for Kentucky National Guard Tuition Awards.
- ✓ Maintained and funded GoHigherKY.org, Kentucky's one-stop higher education website.
- ✓ Funded borrower benefits to expand financial access for Kentucky students and address the state's critical-shortage areas in teaching and nursing.
- ✓ Increased loan portfolio serviced 25% to \$7.1 billion.
- ✓ Increased FFELP originations 26% to \$423.6 million.
- ✓ Improved Kentucky FFELP market share from 66% to 72%.
- ✓ According to latest rankings (federal fiscal year 2004), improved ranking over previous year among FFELP:
 - ✓ Originators from 32nd to 29th.
 - ✓ Loan holders from 37th to 34th.
 - ✓ Consolidating lenders from 40th to 38th.
- ✓ Secured passage of legislation increasing The Student Loan People's debt limit from \$1.95 billion to \$5 billion to ensure students entering college have access to student loans.
- ✓ Partnered with Wells Fargo Bank to provide nearly \$3 million in Advantage alternative loans to help students meet college costs that are not covered by other financial aid.

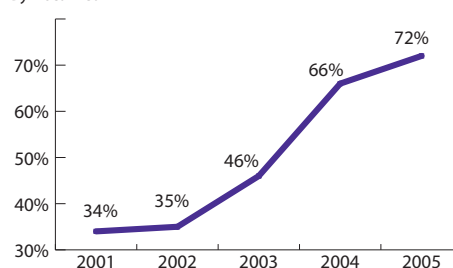
Loan portfolio growth

By Fiscal Year in Billions



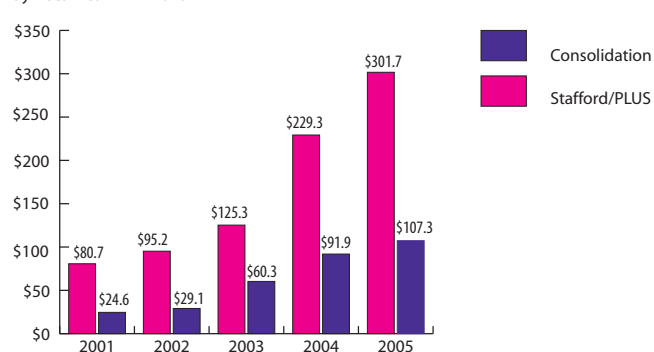
FFELP market share in Kentucky

By Fiscal Year

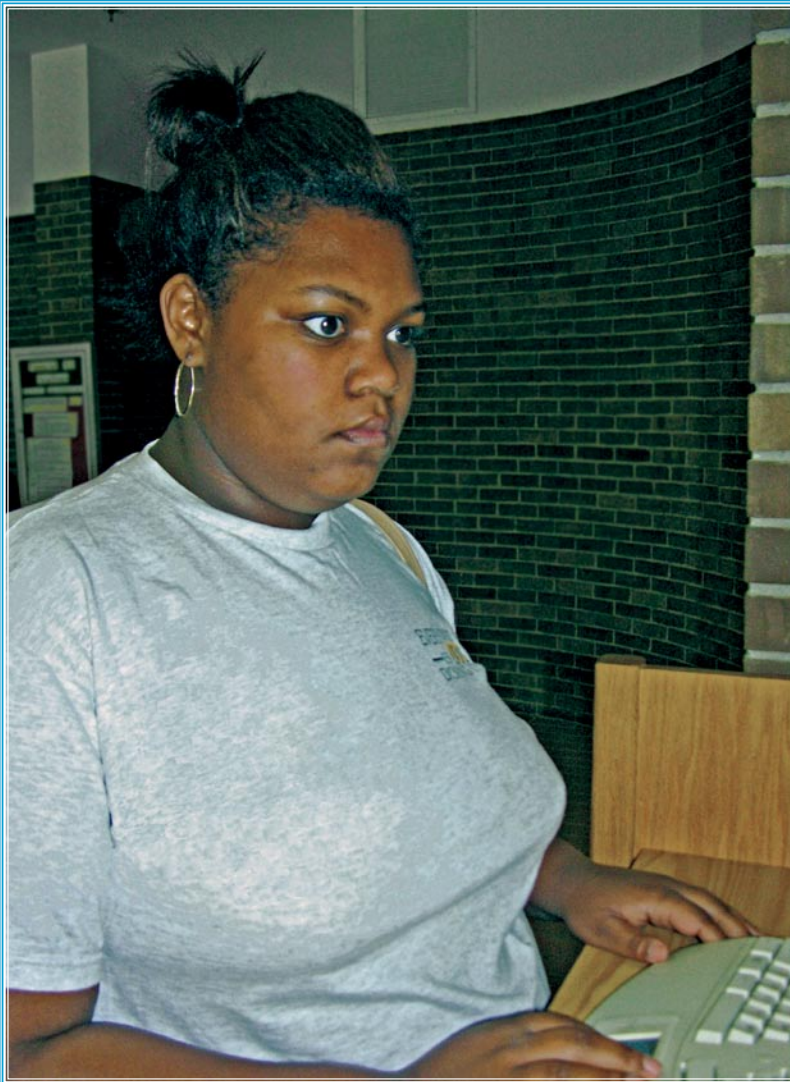


FFELP disbursements

By Fiscal Year in Millions



Federal Family Education Loan Program Disbursements		Loans	Amount
Subsidized Stafford For undergraduate, graduate and professional students based on financial need.		49,200	\$154,219,400
Unsubsidized Stafford For undergraduate, graduate and professional students without regard to financial need.		35,230	133,728,600
PLUS For parents who borrow on behalf of the student.		2,240	13,716,500
Consolidation For borrowers in repayment.		3,990	107,327,400
Total		90,660	\$408,991,900



Takeisha Mink, a freshman at the University of Louisville, graduated with a 3.8 grade point average from Monroe County High School. Mink is using the Kentucky Educational Excellence Scholarships (KEES) she earned in high school, based on her grades and ACT score, to pay for her higher education. “Earning KEES shows you are working for something, that good grades DO matter,” she said. Mink is pursuing a Woodford R. Porter Scholarship, given to outstanding African-American students at the University of Louisville. She plans to major in political science and work in politics after graduation.

\$164.5 million awarded to students

KHEAA administers a variety of student financial aid programs plus 529 plans to help families pay higher education expenses. KHEAA's revenue from the Federal Family Education Loan Program (FFELP) covers the administrative costs of Kentucky's state student aid programs, allowing all General Funds received by KHEAA to go directly to

students in the form of awards. The Student Loan People makes an annual contribution from its FFELP revenue to supplement state student aid awards. FY 2005 contributions totaled \$7.2 million for College Access Program Grants, Kentucky Tuition Grants, KHEAA Work-Study and Kentucky National Guard Tuition Awards.

State Student Aid Expenditures	Recipients	Amount
Kentucky Educational Excellence Scholarships (KEES) For encouraging and recognizing students based on their GPAs and ACT scores.	62,140	\$81,261,000
College Access Program (CAP) Grants For students demonstrating financial need to attend Kentucky postsecondary schools.	43,650	49,755,000
Kentucky Tuition Grants (KTG) For students demonstrating financial need to attend one of Kentucky's independent institutions.	11,270	25,630,200
Teacher Scholarship Loan Service Cancellation/Write-off* For highly qualified students demonstrating financial need and seeking initial teacher certification.	430	830,000
Osteopathic Medicine Scholarship Loan Service Cancellation/Write-off* For students attending Pikeville College School of Osteopathic Medicine.	110	2,172,600
Kentucky National Guard Tuition Awards For active Guard Members in good standing.	1,060	2,601,200
KHEAA Work-Study For students attending participating schools to earn wages to help pay higher education costs.	1,040	843,300
Early Childhood Development Scholarships For students working at least 20 hours weekly in an early childhood setting.	960	900,500
Robert C. Byrd Honors Scholarships For high school seniors or holders of an equivalent certificate demonstrating academic achievement.	350	516,100
Total	121,010	\$164,509,900
Other Program Benefits	Recipients/ Loans	Amount
Teacher Scholarship/Loans*	520	\$1,962,100
Osteopathic Medicine Scholarship/Loans*	90	888,100
Mary Jo Young Scholarships For disadvantaged high school students to help pay for AP or dual credit courses.	470	183,000
Kentucky Education Savings Plan Trust (KESPT) Payments For families who saved for future higher education expenses of their beneficiaries.	810	2,004,900
Kentucky's Affordable Prepaid Tuition (KAPT) Payments For families who prepaid tuition at lower prices for their beneficiaries.	120	623,000
Total	2,010	\$5,661,100

* These programs are scholarships if service requirements are fulfilled; otherwise, they are repayable loans with interest.



BEST START

For All Stafford Loan Borrowers

- ✓ 0% origination fee
- ✓ 0% guarantee fee through KHEAA
- ✓ 3.5% credit to the original loan principal after the first 30 consecutive, on-time payments
- ✓ 0.25% interest rate reduction for automatic payments



BEST IN CARE

For Kentucky RNs, LPNs and LVNs

- ✓ Interest forgiveness for each year of full-time service in Kentucky
- ✓ Up to 20% original principal loan balance forgiveness for each year of full-time service in Kentucky hospitals, long-term care facilities, public health care or as nursing instructors in Kentucky colleges for all new loans made on or after July 1, 2003



BEST IN CLASS

For Kentucky Teachers

- ✓ Interest forgiveness for each year of full-time service at a public or nonprofit Kentucky preschool or elementary or secondary school:
 - ✓ Teachers
 - ✓ Guidance counselors
 - ✓ Librarians
- ✓ Up to 20% original principal loan balance forgiveness for each year of full-time service at a public or nonprofit Kentucky preschool or elementary or secondary school:
 - ✓ Special education
 - ✓ Math
 - ✓ Science
 - ✓ English as a Second Language
 - ✓ Foreign language*
 - ✓ Minority*



BEST IN LAW

For Kentucky Public Service Attorneys*

- ✓ Interest forgiveness and up to 20% original principal loan balance forgiveness (not to exceed \$10,000 per year) for each year of full-time service in Kentucky for:
 - ✓ Public defenders
 - ✓ Assistant commonwealth's attorneys
 - ✓ Assistant county attorneys
 - ✓ State legal services attorneys
 - ✓ Circuit Court law clerks
 - ✓ Supreme Court and Court of Appeals law clerks

* Effective for the 2005-2006 academic year.

The above borrower benefits are for Kentucky borrowers and may be different for PLUS and Consolidation Loans. For complete eligibility requirements, visit studentloanpeople.com.

Borrowers saved \$30.7 million

KHEAA and The Student Loan People partner to provide the lowest cost student loans for higher education and, in the process, address Kentucky's critical employment shortage areas. The Student Loan People provides exceptionally low-cost Federal Family Education Loan Programs—Federal Stafford, Federal PLUS (for parents) and Federal Consolidation. As Kentucky's only public, nonprofit student loan provider, The Student Loan People offers

BestStart Stafford Loans with zero origination fees, zero insurance fees plus interest rate reductions for timely and automatic payments. Best in Class, Best in Care and Best in Law provide interest and/or principal forgiveness at repayment for teachers, nurses and public service attorneys. KHEAA guarantees all loans made by The Student Loan People, as well as student loans made by other lenders, and waives the 1% guarantee fee.

Savings from KHEAA and The Student Loan People

	FY 2005		
	Loans	Savings	Cumulative
BestStart for all FFELP Stafford Borrowers			
	102,310	\$10,298,200	\$24,621,600
Best in Class Forgiveness for Teachers			
Interest Forgiveness			
✓ Teachers, Counselors, Librarians	3,950	\$1,014,900	\$2,606,000
Interest and 20% Principal Forgiveness			
✓ Special Education Teachers	5,020	7,430,900	15,636,700
✓ Science Teachers	740	1,095,100	2,882,800
✓ Math Teachers	980	1,207,000	2,842,200
✓ English as a Second Language Teachers	50	113,700	258,700
Subtotal		\$10,861,600	\$24,226,400
Best in Care Forgiveness for Nurses			
Interest Forgiveness for Registered Nurses	2,010	\$567,700	\$1,689,200
Interest and 20% Principal Forgiveness	1,130	1,278,400	1,600,700
Subtotal		\$1,846,100	\$3,289,900
KHEAA Waiver of 1% Guarantee Fee since 1996			
	231,720	\$7,686,900	\$40,919,400
Total Benefits to Students		\$30,692,800	\$93,057,300

The Student Loan People makes no representation, offer or promise to be relied upon about continued availability of loan benefits or about the accuracy or completeness of this printed information. Benefits may change or be cancelled without notice, at any time, by operation of applicable laws or by The Student Loan People, for any reason at its sole discretion. Students are encouraged to contact The Student Loan People each year they expect to receive benefits to verify eligibility for and availability of the loan benefits/programs and to contact a tax advisor about tax consequences of loan benefits.




**Your computer knows where to start
your college search. So listen up!**

What's it going to take to get you started ... a talking computer? All you need to do is go to www.GoHigherKY.org. It's a one-stop source for all kinds of info, like researching Kentucky colleges, applying for admission, even checking out financing. So what are you waiting for? Visit the site and set up your free account today.

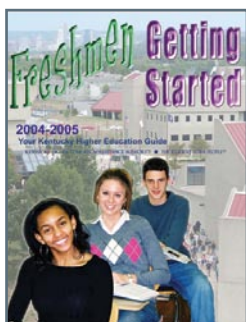
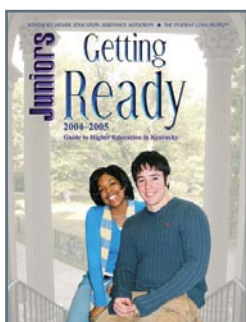
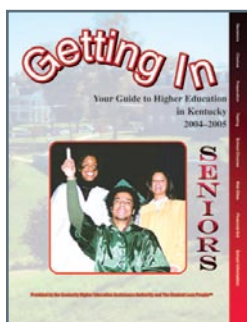
GoHigherKY.org
PLAN • CHOOSE • APPLY

Sponsored by KHEAA and The Student Loan People™ *Kentucky*

Five students at Fleming County High School experienced their “30 Seconds of Fame” during 2005. Ashton Weaver, Andrea Frazier, Blake Jenkins, Nehemiah Dunn and Miyuki Urata submitted the winning entry out of 52 submitted by 16 Kentucky schools in a statewide advertising campaign contest to promote GoHigherKY.org. “The students’ idea was to create an animated computer that communicates with its user by name, gain the students’ attention and get them started on the college search process,” said Mary Honaker, Fleming County High School media teacher. “Along the way, the computer shows off the features of the GoHigherKY.org website.”

Reaching out to every county

KHEAA and The Student Loan People administer a variety of free outreach initiatives to apprise Kentuckians about higher education and student financial aid.



In FY 2005, staff distributed over 220,000 grade-specific college planning publications featuring Kentucky high school and college students. *Getting In* for seniors and *Getting Ready* for juniors took first-place awards for overall merit and graphic design in the 2005 Awards of Excellence competition sponsored by the Kentucky Association of Government Communicators.

www.GoHigherKY.org—A higher education website developed in collaboration with Kentucky education agencies and organizations for use by students of all ages. Students can plan their high school classes, explore careers, choose a college, apply online, take online campus tours, learn about financial aid, search for scholarships and transfer information to the FAFSA. **183,200 sessions**

Regional Outreach—Outreach counselors, who are assigned to and live in regions across the state; participate in college and career fairs, financial aid workshops, classroom presentations and media interviews; and make personal, on-site visits to those who can assist in providing higher education and financial aid information. **81,080 student/parent contacts through 900 exhibits/presentations**

College Info Road Show—A traveling classroom with onboard outreach staff and laptops to access GoHigherKY.org and other websites, explore careers, identify higher education institutions that meet specific educational goals, locate sources of financial aid for which the student is eligible and assist in the aid application process. **15,540 miles traveled**

Affording Higher Education—A financial aid reference book listing more than 3,500 scholarships, grants, loans and other programs specifically for Kentucky students. **3,600 distributed**

Adults Returning to School—Guidance and college planning information of specific interest to adult students. **9,950 distributed**

Borrower Advocates—Staff who counsel borrowers on repayment options as well as deferments, forbearances and other ways of keeping student loan accounts in good standing. **94,250 defaults averted**

Customer Care—Frontline contacts for information about student aid and loans and answers to questions about disbursements, borrower benefits, KEES, grants, consolidation loans and more. **61,000 calls answered**



Albert Yu, the first winner of the \$500 KHEAA/Student Loan People “Promote Your School Scholarship” said winning the essay contest showed his teachers at Louisville’s duPont Manual High School he was more than just a good math and science student. “People saw me as capable of writing, too,” Yu said. Yu and his fellow students were featured throughout KHEAA/Student Loan People publications for FY 2005. A national merit finalist, Yu plans to study nuclear engineering.

Outreach advisors

FY 2005 committee members

Education professionals on the Outreach Advisory Committee are committed to serving students of all ages and have shared their expertise with KHEAA and The Student Loan People staff to improve our outreach initiatives and positively impact Kentucky's college-going rate.

Dr. Bill Braden

Kentucky Counseling Association

Freddie Brown

YMCA of Central Kentucky

Prudie Campbell

Kentucky Association of Secondary and
College Admission Counselors

Marcia Kuegel Carpenter

Daviess County High School

Dianne Crouch

Tates Creek High School/Kentucky School
Counselor Association

Michael Denney

Office of Family Resource/Youth Services
Centers

Dianne Fain

Kentucky Association of Educational
Opportunity Program Personnel (TRIO)

Aaron Gabehart

Kentucky Association of Student Financial
Aid Administrators

Dr. Robert Goodlett

Office of Family Resource/Youth Services
Centers

Dr. Cheryl King

Kentucky Adult Education, Council on
Postsecondary Education

Karen Lawrence

Workforce Development Cabinet,
Vocational Rehabilitation

Laura Leathers

Kentucky Association of Student
Financial Aid Administrators

Yvonne Lovell

Gaining Early Awareness and Readiness for
Undergraduate Programs (GEAR UP)

Robby Morton

Division of Minority Educator Recruitment
and Retention

Lee Nimocks

Association of Independent Kentucky
Colleges and Universities

Sue Patrick

Council on Postsecondary Education

Regina Phillips

Kentuckiana College Access Center

J. Carey Thompson

Kentucky Association of Secondary and
College Admission Counselors

Martha Welch

University of Kentucky College of
Agriculture, Cooperative Extension
Service

C. J. Woods

Kentucky Association of Blacks in Higher
Education

Kerry Zack

The Prichard Committee for Academic
Excellence



Dianne Crouch, guidance counselor at Tates Creek High School, says the features available on GoHigherKY.org are filling needs for both parents and students—as well as schools. “Fayette County was ready to buy materials similar to those offered on Go Higher when I learned about the site,” she said. Go Higher’s interest inventory tool has made her job easier by pointing out to students their own skills. “Go Higher offers an up-to-date source for all college information you could ever hope to get.” All of the services offered by KHEAA and The Student Loan People “really guide our whole department,” Crouch said.



Student aid advisors

FY 2005 committee members

The Student Aid Advisory Committee is composed of financial aid professionals representing the Commonwealth's higher education institutions. The committee regularly meets with KHEAA and The Student Loan People staff to discuss ideas and suggestions to improve our student financial aid programs and services.

Pat Arauz

University of Louisville

Bernice Ayer

Kentucky Community and Technical
College System

Sandy Barlow

Kentucky Community and Technical
College System

Donna Blair

Sullivan University

Heather Boutell

University of Louisville

Cindy Burnette

Western Kentucky University

Dave Cecil

Transylvania University

Carmella Conner

Kentucky State University

Dr. Gary S. Cox

Association of Independent Kentucky
Colleges and Universities

Jerry Davis

Kentucky Community and Technical
College System

Bryan Erslan

Berea College

Lynda George

University of Kentucky

Sheila Hilderbrand

Morehead State University

Angela Johnson

Kentucky Community and Technical
College System

Laura Keown

Centre College

Jackie Marshall

Northern Kentucky University

Shelley Park

Eastern Kentucky University

Dennis Taulbee

Council on Postsecondary Education

Chris Tolson

Campbellsville University

Charles Vinson

Murray State University



Heather Boutell, Financial Aid Director for Bellarmine University, formerly assistant scholarship director at the University of Louisville, said serving on the student aid advisory committee allowed financial aid professionals to share concerns directly with KHEAA and Student Loan People officials. "We had the opportunity to share important issues so actions could be made. They listened to our issues about students, processing and technology improvements; and we saw definite results from those requests."



Board of directors

(as of June 30, 2005)

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Kentucky Department of Education

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KHEAA Chief Operating Officer

Roger B. Tharp

KHESLC Chief Operating Officer

Scotty Bryan

Chief Information Officer

Ted Franzeim

Senior Vice President for Customer Relations

Rick Casey

General Counsel

David Carlsen

Director of Internal Audit



Selected financial information

as of June 30, 2005, and for the fiscal year then ended

	Governmental and Fiduciary Funds				Proprietary Funds	
	KHEAA				The Student Loan People	
	Governmental Fund	Federal Student Loan Reserve Fund	Kentucky's Affordable Prepaid Tuition	Kentucky Education Savings Plan Trust	Agency Operating Fund and Internal Service Fund	2005 Operating Fund and Education Finance Fund
Statement of Net Assets						
Current assets	\$ 4,107,734	\$15,684,131	\$18,029,557	\$65,527,551	\$11,680,072	\$206,424,149
Loans, net						1,207,632,746
Other noncurrent assets	9,311,612	2,302,290	117,353,174		31,126,012	29,680,527
Total assets	13,419,346	17,986,421	135,382,731	65,527,551	42,806,084	1,443,737,422
Current liabilities	1,169,222	7,250,484	28,804	157,436	8,426,074	8,591,740
Noncurrent liabilities			141,948,827		7,370,000	1,327,141,417
Total liabilities	1,169,222	7,250,484	141,977,631	157,436	15,796,074	1,335,733,157
Total Net Assets	\$12,250,124	\$10,735,937	\$(6,594,900)	\$65,370,115	\$27,010,010	\$108,004,265
Statement of Activities						
Program revenue/additions	\$155,784,843	\$50,556,744	\$37,532,373	\$17,097,576	\$18,227,275	\$125,036,452
Direct expenses/deductions	169,103,314	55,036,638	46,126,650	4,123,836	12,986,721	102,426,565
Total	(13,318,471)	(4,479,894)	(8,594,277)	12,973,740	5,240,554	22,609,887
Interfund transfers	4,557,624				(4,557,624)	
Transfer Agency Operating Fund		145,336			(145,336)	
Transfer to KAPT					(188,649)	
Transfer from Internal Service Fund			188,649			
Transfer from Unclaimed Property Fund			13,700,051			
Transfer from KHESLC	7,171,055					(7,151,055)
Transfer to the State Treasury						(7,800,000)
Change in net assets	(1,589,792)	(4,334,558)	5,294,423	12,973,740	328,945	7,658,832
Net assets at beginning of year	13,839,916	15,070,495	(11,889,323)	52,396,375	26,681,065	100,345,433
Net assets at end of year	\$12,250,124	\$10,735,937	\$(6,594,900)	\$65,370,115	\$27,010,010	\$108,004,265

To request a copy of KHEAA's audited financial statements, call (502) 696-7421.

To request a copy of The Student Loan People's audited financial statements, call (502) 329-7145.

Kentucky Higher Education Assistance Authority

P.O. Box 798, Frankfort, KY 40602-0798

Toll Free 800.928.8926

www.kheaa.com

The Student Loan People

P.O. Box 24266, Louisville, KY 40224-0266

Toll Free 888.678.4625

www.studentloanpeople.com

KHEAA and The Student Loan People do not discriminate on the basis of race, color, national origin, sex, religion, age or disability in employment or services and provide, upon request, reasonable accommodations to afford individuals with disabilities an equal opportunity to participate in all programs and activities. Printed 12/05.



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